

FIRST REGULAR SESSION

# SENATE BILL NO. 290

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SCHAEFER.

Read 1st time January 21, 2015, and ordered printed.

ADRIANE D. CROUSE, Secretary.

1387S.011

## AN ACT

To repeal section 162.720, RSMo, and section 163.031 as enacted by house bill no. 1689, ninety-seventh general assembly, second regular session, and to enact in lieu thereof two new sections relating to gifted education, with a delayed effective date for a certain section.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Section 162.720, RSMo, and section 163.031 as enacted by  
2 house bill no. 1689, ninety-seventh general assembly, second regular session, are  
3 repealed and two new sections enacted in lieu thereof, to be known as sections  
4 162.720 and 163.031, to read as follows:

162.720. 1. Where a sufficient number of children are determined to be  
2 gifted and their development requires programs or services beyond the level of  
3 those ordinarily provided in regular public school programs, districts may  
4 establish special programs for such gifted children.

5 2. The state board of education shall determine standards for such  
6 programs. Approval of such programs shall be made by the state department of  
7 elementary and secondary education based upon project applications submitted  
8 by July fifteenth of each year.

9 3. **No district shall make a determination as to whether a child**  
10 **is gifted based on the child's participation in an advanced placement**  
11 **course or international baccalaureate course. Districts shall only**  
12 **determine a child is gifted when the child meets the definition of**  
13 **"gifted children" as provided in section 162.675.**

163.031. 1. The department of elementary and secondary education shall  
2 calculate and distribute to each school district qualified to receive state aid under

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

3 section 163.021 an amount determined by multiplying the district's weighted  
4 average daily attendance by the state adequacy target, multiplying this product  
5 by the dollar value modifier for the district, and subtracting from this product the  
6 district's local effort and, in years not governed under subsection 4 of this section,  
7 subtracting payments from the classroom trust fund under section 163.043.

8 2. Other provisions of law to the contrary notwithstanding:

9 (1) For districts with an average daily attendance of more than three  
10 hundred fifty in the school year preceding the payment year:

11 (a) For the 2006-07 school year, the state revenue per weighted average  
12 daily attendance received by a district from the state aid calculation under  
13 subsections 1 and 4 of this section, as applicable, and the classroom trust fund  
14 under section 163.043 shall not be less than the state revenue received by a  
15 district in the 2005-06 school year from the foundation formula, line 14, gifted,  
16 remedial reading, exceptional pupil aid, fair share, and free textbook payment  
17 amounts multiplied by the sum of one plus the product of one-third multiplied by  
18 the remainder of the dollar value modifier minus one, and dividing this product  
19 by the weighted average daily attendance computed for the 2005-06 school year;

20 (b) For the 2007-08 school year, the state revenue per weighted average  
21 daily attendance received by a district from the state aid calculation under  
22 subsections 1 and 4 of this section, as applicable, and the classroom trust fund  
23 under section 163.043 shall not be less than the state revenue received by a  
24 district in the 2005-06 school year from the foundation formula, line 14, gifted,  
25 remedial reading, exceptional pupil aid, fair share, and free textbook payment  
26 amounts multiplied by the sum of one plus the product of two-thirds multiplied  
27 by the remainder of the dollar value modifier minus one, and dividing this  
28 product by the weighted average daily attendance computed for the 2005-06  
29 school year;

30 (c) For the 2008-09 school year, the state revenue per weighted average  
31 daily attendance received by a district from the state aid calculation under  
32 subsections 1 and 4 of this section, as applicable, and the classroom trust fund  
33 under section 163.043 shall not be less than the state revenue received by a  
34 district in the 2005-06 school year from the foundation formula, line 14, gifted,  
35 remedial reading, exceptional pupil aid, fair share, and free textbook payment  
36 amounts multiplied by the dollar value modifier, and dividing this product by the  
37 weighted average daily attendance computed for the 2005-06 school year;

38 (d) For each year subsequent to the 2008-09 school year, the amount shall

39 be no less than that computed in paragraph (c) of this subdivision, multiplied by  
40 the weighted average daily attendance pursuant to section 163.036, less any  
41 increase in revenue received from the classroom trust fund under section 163.043;

42 (2) For districts with an average daily attendance of three hundred fifty  
43 or less in the school year preceding the payment year:

44 (a) For the 2006-07 school year, the state revenue received by a district  
45 from the state aid calculation under subsections 1 and 4 of this section, as  
46 applicable, and the classroom trust fund under section 163.043 shall not be less  
47 than the greater of state revenue received by a district in the 2004-05 or 2005-06  
48 school year from the foundation formula, line 14, gifted, remedial reading,  
49 exceptional pupil aid, fair share, and free textbook payment amounts multiplied  
50 by the sum of one plus the product of one-third multiplied by the remainder of the  
51 dollar value modifier minus one;

52 (b) For the 2007-08 school year, the state revenue received by a district  
53 from the state aid calculation under subsections 1 and 4 of this section, as  
54 applicable, and the classroom trust fund under section 163.043 shall not be less  
55 than the greater of state revenue received by a district in the 2004-05 or 2005-06  
56 school year from the foundation formula, line 14, gifted, remedial reading,  
57 exceptional pupil aid, fair share, and free textbook payment amounts multiplied  
58 by the sum of one plus the product of two-thirds multiplied by the remainder of  
59 the dollar value modifier minus one;

60 (c) For the 2008-09 school year, the state revenue received by a district  
61 from the state aid calculation under subsections 1 and 4 of this section, as  
62 applicable, and the classroom trust fund under section 163.043 shall not be less  
63 than the greater of state revenue received by a district in the 2004-05 or 2005-06  
64 school year from the foundation formula, line 14, gifted, remedial reading,  
65 exceptional pupil aid, fair share, and free textbook payment amounts multiplied  
66 by the dollar value modifier;

67 (d) For each year subsequent to the 2008-09 school year, the amount shall  
68 be no less than that computed in paragraph (c) of this subdivision;

69 (3) The department of elementary and secondary education shall make an  
70 addition in the payment amount specified in subsection 1 of this section to assure  
71 compliance with the provisions contained in this subsection.

72 3. School districts that meet the requirements of section 163.021 shall  
73 receive categorical add-on revenue as provided in this subsection. The categorical  
74 add-on for the district shall be the sum of: seventy-five percent of the district

75 allowable transportation costs under section 163.161; the career ladder  
76 entitlement for the district, as provided for in sections 168.500 to 168.515; the  
77 vocational education entitlement for the district, as provided for in section  
78 167.332; and the district educational and screening program entitlements as  
79 provided for in sections 178.691 to 178.699. The categorical add-on revenue  
80 amounts may be adjusted to accommodate available appropriations.

81 4. In the 2006-07 school year and each school year thereafter for five  
82 years, those districts entitled to receive state aid under the provisions of  
83 subsection 1 of this section shall receive state aid in an amount as provided in  
84 this subsection.

85 (1) For the 2006-07 school year, the amount shall be fifteen percent of the  
86 amount of state aid calculated for the district for the 2006-07 school year under  
87 the provisions of subsection 1 of this section, plus eighty-five percent of the total  
88 amount of state revenue received by the district for the 2005-06 school year from  
89 the foundation formula, line 14, gifted, remedial reading, exceptional pupil aid,  
90 fair share, and free textbook payments less any amounts received under section  
91 163.043.

92 (2) For the 2007-08 school year, the amount shall be thirty percent of the  
93 amount of state aid calculated for the district for the 2007-08 school year under  
94 the provisions of subsection 1 of this section, plus seventy percent of the total  
95 amount of state revenue received by the district for the 2005-06 school year from  
96 the foundation formula, line 14, gifted, remedial reading, exceptional pupil aid,  
97 fair share, and free textbook payments less any amounts received under section  
98 163.043.

99 (3) For the 2008-09 school year, the amount of state aid shall be forty-four  
100 percent of the amount of state aid calculated for the district for the 2008-09  
101 school year under the provisions of subsection 1 of this section plus fifty-six  
102 percent of the total amount of state revenue received by the district for the  
103 2005-06 school year from the foundation formula, line 14, gifted, remedial  
104 reading, exceptional pupil aid, fair share, and free textbook payments less any  
105 amounts received under section 163.043.

106 (4) For the 2009-10 school year, the amount of state aid shall be fifty-eight  
107 percent of the amount of state aid calculated for the district for the 2009-10  
108 school year under the provisions of subsection 1 of this section plus forty-two  
109 percent of the total amount of state revenue received by the district for the  
110 2005-06 school year from the foundation formula, line 14, gifted, remedial

111 reading, exceptional pupil aid, fair share, and free textbook payments less any  
112 amounts received under section 163.043.

113 (5) For the 2010-11 school year, the amount of state aid shall be  
114 seventy-two percent of the amount of state aid calculated for the district for the  
115 2010-11 school year under the provisions of subsection 1 of this section plus  
116 twenty-eight percent of the total amount of state revenue received by the district  
117 for the 2005-06 school year from the foundation formula, line 14, gifted, remedial  
118 reading, exceptional pupil aid, fair share, and free textbook payments less any  
119 amounts received under section 163.043.

120 (6) For the 2011-12 school year, the amount of state aid shall be eighty-six  
121 percent of the amount of state aid calculated for the district for the 2011-12  
122 school year under the provisions of subsection 1 of this section plus fourteen  
123 percent of the total amount of state revenue received by the district for the  
124 2005-06 school year from the foundation formula, line 14, gifted, remedial  
125 reading, exceptional pupil aid, fair share, and free textbook payments less any  
126 amounts received under section 163.043.

127 (7) (a) [a.] For the 2006-07 school year, if a school district experiences  
128 a decrease in summer school average daily attendance of more than twenty  
129 percent from the district's 2005-06 summer school average daily attendance, an  
130 amount equal to the product of the percent reduction that is in excess of twenty  
131 percent of the district's summer school average daily attendance multiplied by the  
132 funds generated by the district's summer school program in the 2005-06 school  
133 year shall be subtracted from the district's current year payment amount.

134 [b.] (b) For the 2007-08 school year, if a school district experiences a  
135 decrease in summer school average daily attendance of more than thirty percent  
136 from the district's 2005-06 summer school average daily attendance, an amount  
137 equal to the product of the percent reduction that is in excess of thirty percent of  
138 the district's summer school average daily attendance multiplied by the funds  
139 generated by the district's summer school program in the 2005-06 school year  
140 shall be subtracted from the district's payment amount.

141 [c.] (c) For the 2008-09 school year, if a school district experiences a  
142 decrease in summer school average daily attendance of more than thirty-five  
143 percent from the district's 2005-06 summer school average daily attendance, an  
144 amount equal to the product of the percent reduction that is in excess of  
145 thirty-five percent of the district's summer school average daily attendance  
146 multiplied by the funds generated by the district's summer school program in the

147 2005-06 school year shall be subtracted from the district's payment amount.

148 [d.] (d) Notwithstanding the provisions of this paragraph, no such  
149 reduction shall be made in the case of a district that is receiving a payment under  
150 section 163.044 or any district whose regular school term average daily  
151 attendance for the preceding year was three hundred fifty or less.

152 [e.] (e) This paragraph shall not be construed to permit any reduction  
153 applied under this paragraph to result in any district receiving a current-year  
154 payment that is less than the amount calculated for such district under  
155 subsection 2 of this section.

156 [(b) If a school district experiences a decrease in its gifted program  
157 enrollment of more than twenty percent from its 2005-06 gifted program  
158 enrollment in any year governed by this subsection, an amount equal to the  
159 product of the percent reduction in the district's gifted program enrollment  
160 multiplied by the funds generated by the district's gifted program in the 2005-06  
161 school year shall be subtracted from the district's current year payment amount.]

162 5. For any school district meeting the eligibility criteria for state aid as  
163 established in section 163.021, but which is considered an option district under  
164 section 163.042 and therefore receives no state aid, the commissioner of education  
165 shall present a plan to the superintendent of the school district for the waiver of  
166 rules and the duration of said waivers, in order to promote flexibility in the  
167 operations of the district and to enhance and encourage efficiency in the delivery  
168 of instructional services as provided in section 163.042.

169 6. (1) No less than seventy-five percent of the state revenue received  
170 under the provisions of subsections 1, 2, and 4 of this section shall be placed in  
171 the teachers' fund, and the remaining percent of such moneys shall be placed in  
172 the incidental fund. No less than seventy-five percent of one-half of the funds  
173 received from the school district trust fund distributed under section 163.087  
174 shall be placed in the teachers' fund. One hundred percent of revenue received  
175 under the provisions of section 163.161 shall be placed in the incidental  
176 fund. One hundred percent of revenue received under the provisions of sections  
177 168.500 to 168.515 shall be placed in the teachers' fund.

178 (2) A school district shall spend for certificated compensation and tuition  
179 expenditures each year:

180 (a) An amount equal to at least seventy-five percent of the state revenue  
181 received under the provisions of subsections 1, 2, and 4 of this section;

182 (b) An amount equal to at least seventy-five percent of one-half of the

183 funds received from the school district trust fund distributed under section  
184 163.087 during the preceding school year; and

185 (c) Beginning in fiscal year 2008, as much as was spent per the second  
186 preceding year's weighted average daily attendance for certificated compensation  
187 and tuition expenditures the previous year from revenue produced by local and  
188 county tax sources in the teachers' fund, plus the amount of the incidental fund  
189 to teachers' fund transfer calculated to be local and county tax sources by dividing  
190 local and county tax sources in the incidental fund by total revenue in the  
191 incidental fund.

192 In the event a district fails to comply with this provision, the amount by which  
193 the district fails to spend funds as provided herein shall be deducted from the  
194 district's state revenue received under the provisions of subsections 1, 2, and 4  
195 of this section for the following year, provided that the state board of education  
196 may exempt a school district from this provision if the state board of education  
197 determines that circumstances warrant such exemption.

198 7. **(1)** If a school district's annual audit discloses that students were  
199 inappropriately identified as eligible for free and reduced lunch, special  
200 education, or limited English proficiency and the district does not resolve the  
201 audit finding, the department of elementary and secondary education shall  
202 require that the amount of aid paid pursuant to the weighting for free and  
203 reduced lunch, special education, or limited English proficiency in the weighted  
204 average daily attendance on the inappropriately identified pupils be repaid by the  
205 district in the next school year and shall additionally impose a penalty of one  
206 hundred percent of such aid paid on such pupils, which penalty shall also be paid  
207 within the next school year. Such amounts may be repaid by the district through  
208 the withholding of the amount of state aid.

209 **(2) Beginning in the 2015-2016 school year, if a district**  
210 **experiences a decrease in its gifted program enrollment of more than**  
211 **twenty percent from its 2014-2015 school year gifted program**  
212 **enrollment, an amount equal to the product of the percent reduction in**  
213 **the district's gifted program enrollment multiplied by the funds**  
214 **generated by the district's gifted program in the 2014-2015 school year**  
215 **shall be subtracted from the district's current year payment amount.**

216 8. Notwithstanding any provision of law to the contrary, in any fiscal year  
217 during which the total formula appropriation is insufficient to fully fund the  
218 entitlement calculation of this section, the department of elementary and

219 secondary education shall adjust the state adequacy target in order to  
220 accommodate the appropriation level for the given fiscal year. In no manner shall  
221 any payment modification be rendered for any district qualified to receive  
222 payments under subsection 2 of this section based on insufficient appropriations.

Section B. Section 163.031 of Section A of this act shall become effective  
2 July 1, 2016.

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Unofficial

Bill

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